

Which numbers
are meaningful?



\$/Month

Reserve Balance



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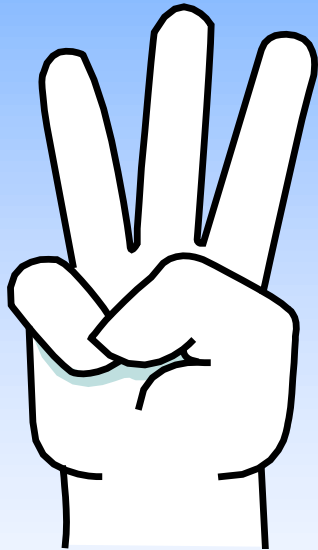
Begin with the end in mind



- Condo vs villa
- Room types
- Admin/Sales

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Reserve Study Results



- **Component List**
- **Fund Status**
- **Contribution Rate**

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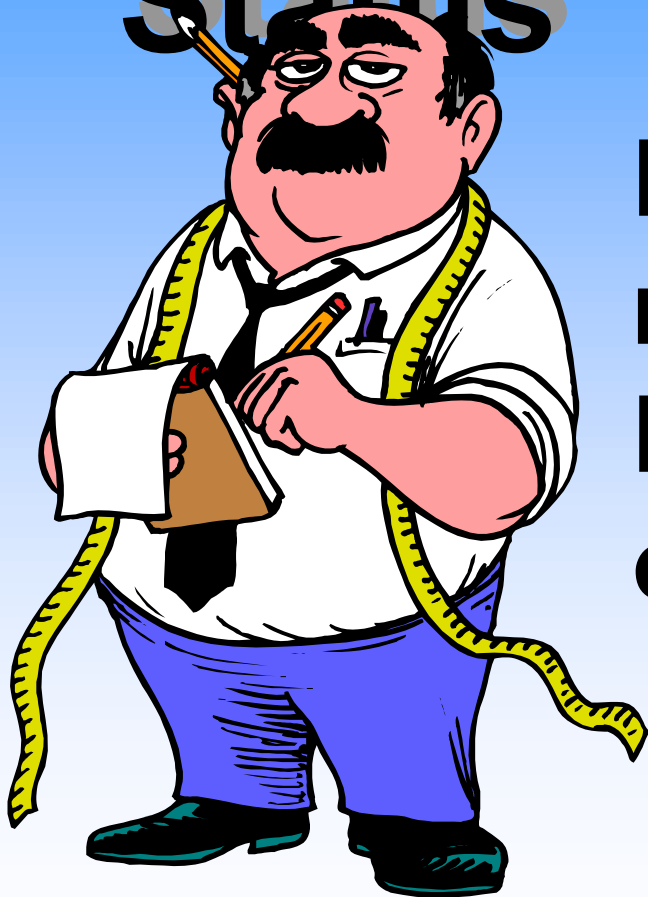
Reserve Component Criteria

- **Common Area Maintenance**
- **Limited Life**
- **Predictable Life**
- **Above Minimum Cost**



Reserve Fund

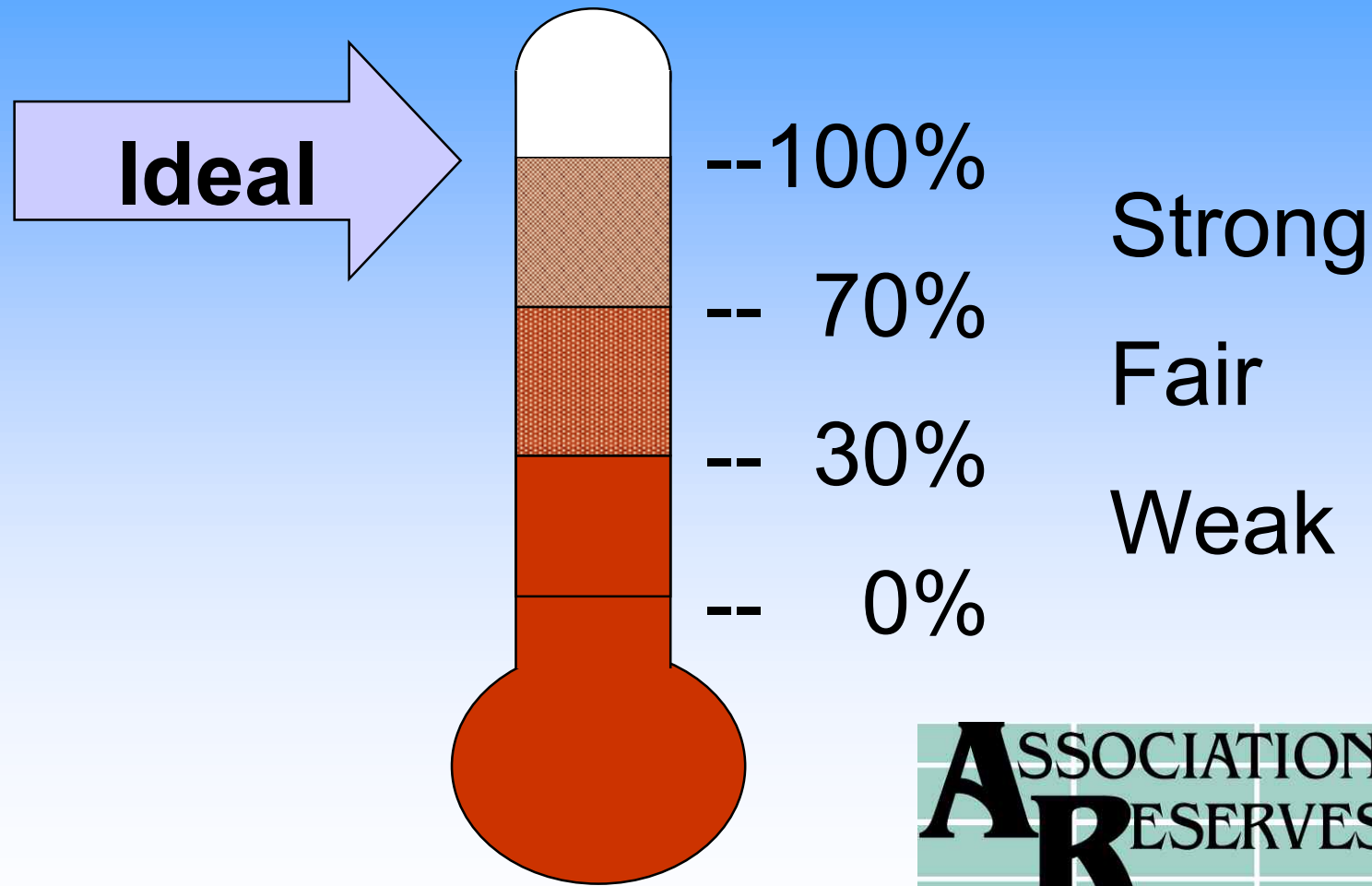
Status



**Percent Funded
measures how well
Funds meet needs
of Association**

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Reserve Fund Strength



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Ways to Fund Reserves

- **Budgeted Contributions**
- **Special Assessments**
- **Loan (Contrib. + Bank Fees)**
- **Decline in Prop Values**



Funding Principles

- **Sufficient Cash**
- **Stable Contrib. Rate**
- **Evenly Distributed**
- **Fiscally Responsible**





Caution!

Interest = Inflation

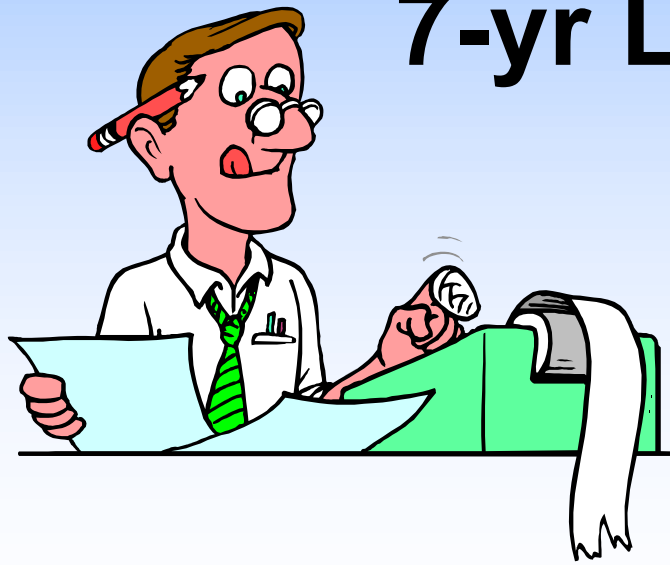
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\$250,000 15-yr Roof

Contributions: \$198,261

Special Assmt: \$250,000

7-yr Loan: \$357,199



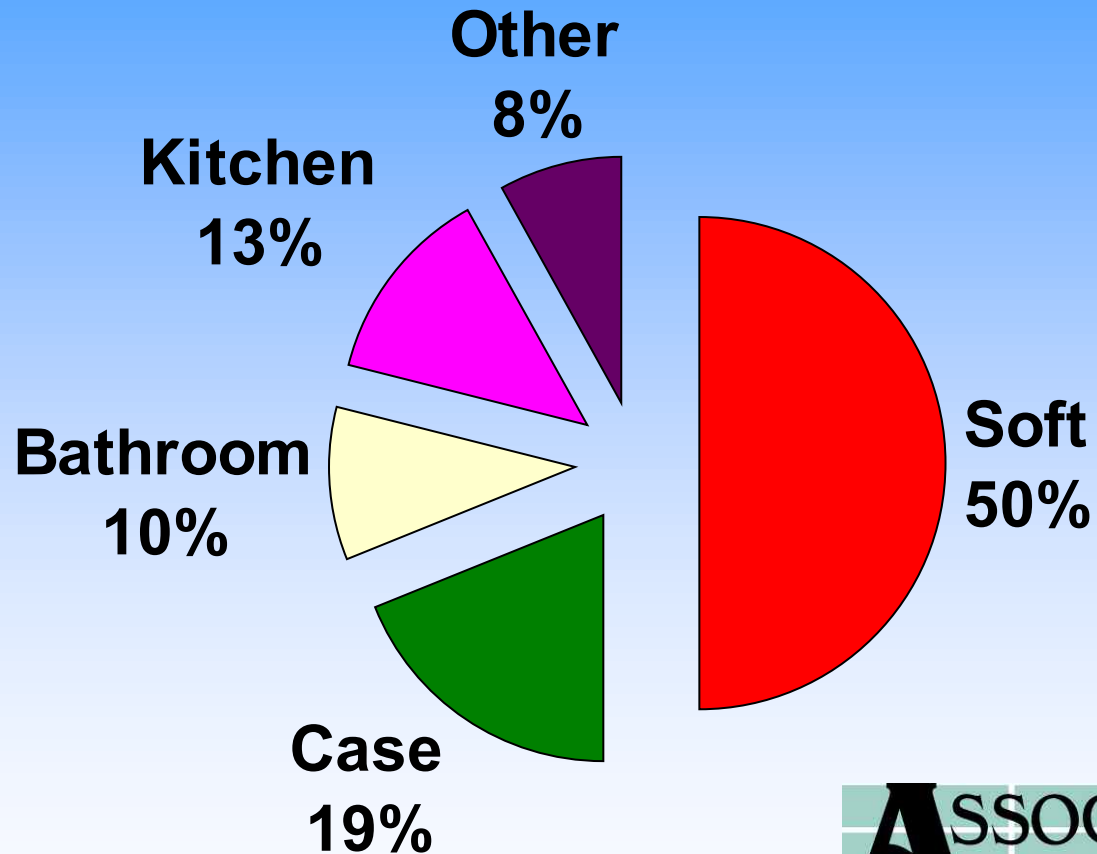
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Strong Influences, cont.

**Villa Interior Components
typically 60-75% of total
Resort Reserve ongoing
contributions**



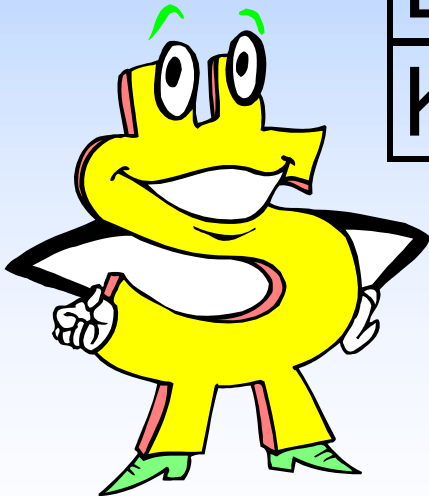
Villa Interior Expenses



Typical Project Costs

\$/Villa

Soft	\$6,000 - \$15,000
Case	\$2,200 - \$16,400
Bathroom	\$5,200 - \$8,100
Kitchen	\$5,400 - \$8,100



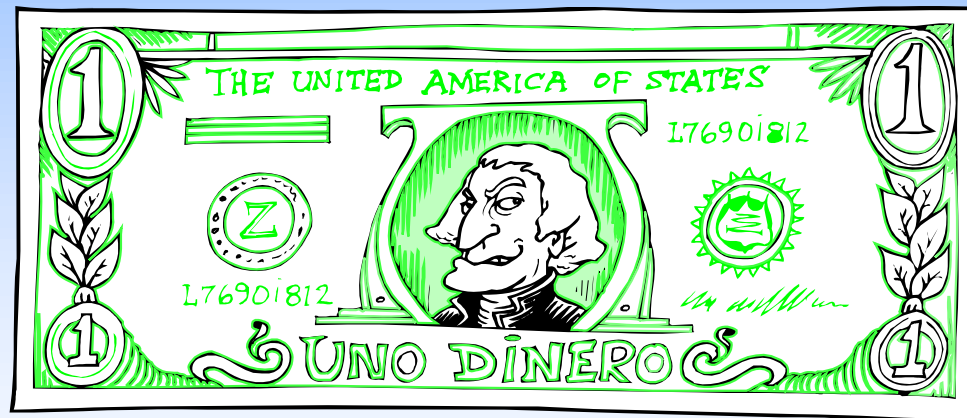
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Do Yourself a Favor...

With logical cycling!

Soft	3	4	5	6	7	8
Case	6	8	10	12	14	16

... Resort contributions
typically range \$85 to
\$135/unit-wk



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Minimizing Reserve Contributions

- 1) Avoid double-budgeting
- 2) Shift to Operating Budget
- 3) Don't do it
- 4) Delay doing it
- 5) Stretch the cycle
- 6) Increase Interest

Increase Interest

- **Investment Specialist**
- **Vacation Ownership Specialist**



Information Transfer

- **Standardized File Format**
- **Email speed**
- **Seamless integration**
- **No Mgr/Board handling!**



Today...

- ☑ 3-key Results
- ☑ 4-part test
- ☑ Which #s are meaningful
- ☑ Important, Useful #s



Three out of four resort Managers care about their Reserves



What, me worry?

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